

TESTIMONY of GEORGE A. MOROZ
SPECIAL ASSISTANT TO THE PRESIDENT, THE HENRY FORD
MICHIGAN SENATE COMMITTEE ON OUTDOOR RECREATION and TOURISM
February 10, 2011, 12:30 PM, Farnum Building, Room 210, Lansing, Michigan

Good afternoon, Chairman Hansen and members of the Senate Committee on Outdoor Recreation and Tourism. I'm George Moroz, Special Assistant to the President and Senior Director for External Relations at The Henry Ford, Michigan's leading cultural tourism destination. I'm here today as a pinch-hitter for Patricia Mooradian, president of THF and Chairman of the Michigan Travel Commission, as she is currently out of state cultivating a group of potentially significant donors for a planned new major permanent exhibition at The Henry Ford that, we are confident, will help drive additional tourists from throughout the country to Michigan and our campus. On average, THF hosts approximately 1.5 million visitors each year, of which 25% to 35%—that's between 375,000 and 525,000 visitors—travel to our site from outside of Michigan.

I am also a member of the Board and former president of TICOM, the Tourism Industry Coalition of Michigan. TICOM is a statewide tourism organization whose mission is *"to strengthen Michigan's travel and tourism industry as a vital component of economic development and quality of life through governmental advocacy, public relations, collaboration, and other promotional and educational efforts."* TICOM has a broad and diverse membership which includes individual Convention and Visitor Bureaus throughout the state; Travel and Tourism publishing and advertising entities; and professional associations representing Michigan's RV Parks, Campgrounds, CVBs, Boating Industries, Festivals and Events, Golf Course Owners, Hotels-Motels and Resorts, Beds & Breakfasts, and Michigan's snow-sports industries.

I thank you for the opportunity to address the Committee this afternoon to voice support for Senate Bill 110.

Undeniably, Michigan's tourism industry has a significant positive impact on Michigan's economy. Tourism is Michigan's third largest industry. It's a \$16-\$18 billion enterprise in our state responsible for employing nearly 200,000 Michigan workers. It is a varied and diverse sector of Michigan's economy that leverages Michigan's unparalleled inventory of natural,

cultural, recreational and heritage assets. It brings visitors and their discretionary spending to our state and its treasury through direct spending and the generation of significant sales and gas tax revenues that can be used to help fund Michigan's other compelling strategic initiatives.

We know a thing or two about marketing at The Henry Ford, including the basic tenet that no matter how good your inventory of products and services might be, its value will go unrealized unless people are made aware of it and are drawn to it in a compelling way. And that's precisely what the award-winning Pure Michigan campaign does for the Michigan tourism industry, Michigan's treasury, and the hundreds of thousands of Michigan workers who depend on the industry for their livelihoods.

In regard to its worth as a State investment, full funding for the Pure Michigan campaign as called for in SB 110 is a "no-brainer," as then gubernatorial candidate Rick Snyder described it during his campaign. Now Governor Rick Snyder has called for the legislature to provide the full and permanent funding needed to maintain and strengthen the already impressive return on investment the Pure Michigan campaign continues to generate. That ROI, both significant and immediate, is why the Michigan Travel Commission unanimously passed a resolution in 2010 calling for full and permanent funding of this incredibly successful marketing and promotional initiative.

While we realize that SB 110, like its companion bill in the House, would only provide sufficient funding for this year's Pure Michigan marketing effort, it is critically important to sustain the national momentum that this campaign has generated since its launch. Importantly, the funding that SB 110 affords also provides a means and vehicle for the permanent funding solution that the Pure Michigan campaign both deserves and needs.

In discussions about State investment in the Pure Michigan campaign, some skeptics have asked why those within Michigan's tourism industry don't do more themselves to promote travel and tourism to our state and their properties. But those who voice that concern do not

realize how much the private sector of Michigan's tourism industry already invests in marketing and promotion. As an example, our annual marketing budget at The Henry Ford totals approximately \$4 million. In a demonstration of our belief in the investment worthiness and effectiveness of the Pure Michigan campaign, we have recently entered into a new partnership with Travel Michigan with a half-a-million dollar investment on our part that will provide national exposure for The Henry Ford within the Pure Michigan campaign. By advertising nationally, we believe we will attract even more visitors from throughout the United States to experience our world-class tourism product and draw further attention to Michigan as a compelling travel and tourism destination.

Einstein once wisely said, "Not everything that can be counted, counts and not everything that counts, can be counted." There is something significant about the Pure Michigan campaign that doesn't lend itself to statistical measure. The Pure Michigan campaign matters, in large degree, to the perception of Michigan it generates for those living outside and those living inside the state. Recently, Michigan's national reputation has been one of a state in decline. Our economy began declining earlier, deeper and for longer than those of other states. Our major manufacturing industry underwent tremendous turmoil and came close to disappearing. And we were the only state in the union to have experienced a net loss in population over the past ten year period. Those are all depressing colors with which to paint Michigan's national portrait. But the Pure Michigan campaign offers a different more vibrant and vital palette. It lets the rest of America know what incomparable treasures—natural, cultural, recreational and heritage—Michigan offers. And, if not more importantly, it reminds those of us who call Michigan home, how fortunate, despite current economic challenges, we are to be of this place. The campaign helps remind us what drew us here and what keeps us here. That's not something that can easily be counted, but I believe that all of us here and throughout Michigan know that it's something that profoundly counts.

Thank you for your time and attention. I urge you and your colleagues to support SB 110 and the Pure Michigan campaign.



Testimony submitted by Janessa Smit, Vice President of Government Affairs
Outdoor Recreation and Tourism Committee – SB 0110
February 10, 2011

Good morning Mr. Chairman and committee members. My name is Janessa Smit. I am the Vice President of Government Affairs at the Muskegon Area Chamber of Commerce. On behalf of the Muskegon Chamber's 1,100+ business members, I would like thank you for the opportunity to express our support for SB 0110.

The Muskegon Area Chamber of Commerce has been a long time supporter of the Pure Michigan campaign and has been proud of the quality, results and national accolades the campaign has received.

In our annual government affairs survey to the chamber membership conducted late last month, 78.8% of respondents felt that support for the Pure Michigan campaign was an important and high priority to the Muskegon business community.

According to the Department of Labor Energy and Economic Growth Bureau of Labor Statistics, the leisure and hospitality sector employs somewhere between 6,000 and 9,000 people (or approximately 10% of our labor force) in Muskegon County at certain times throughout the year.

In business, we talk about competitive advantage and differentiating your products and services in the market place. Michigan has a clear competitive advantage when it comes to tourism and natural resources. Locally we work hard to capitalize on these assets but I can not stress how important the Pure Michigan campaign has been at unifying our state under a single, impactful and positive message. Not only has it been effective at attracting new visitors and economic development to the state, I believe it has also helped renew Michigander's sense of pride and positive state image.

I had the opportunity to listen to Governor Snyder, State Treasurer Andy Dillon and State Budget Director John Nixon speak recently about Michigan's financial health. While there are certainly structural budget issues that need to be addressed, allocating limited taxpayer dollars where they provide a return on investment, create jobs and support economic development to the tune of a two to one return undoubtedly makes good business sense.

I understand this investment is a big decision given an additional \$10 million is a significant chunk of the \$75 million 21st Century Jobs Funds available and would not suggest this money be allocated without appropriate tracking mechanisms in place to provide transparency.

There are so many opportunities for growth and the re-invention of Michigan. Pure Michigan is an example of what's going right and I ask that you consider our support of SB 0110 when making your decision to increase Pure Michigan funding. Again, thank you for your time. I am happy to provide additional information or answer any questions you may have. Please feel free to contact me at jsmit@muskegon.org or 231-724-3183.